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# World Production and Trade

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Roundup

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

## SOVIET AGRICULTURE

The administration of agriculture in the SOVIET UNION is undergoing change, something expected since Mikhail Gorbachev became General Secretary in March. The abolishment of the USSR Ministry of Agriculture is central to the reorganization. According to reports from Moscow, a new organization, the State Agro-Industrial Committee (GOSAGROPROM) has been established. It encompasses functions previously held by the USSR ministries of agriculture, fruit and vegetable production, rural construction, milk and meat industry, and food industry, as well as the State Committee for the Technological Servicing of Agriculture.

By combining these six bodies into one, the Soviets hope to reduce duplication of responsibilities and functions and to streamline the management of the agricultural industry of the USSR. The desired result is to achieve the goals of the Food Program, announced in May 1982, and to improve the supply of food to Soviet consumers. GOSAGROPROM will be headed by Vsevolod Murakhovsky, a new first deputy prime minister. Valentin Mesyats was the USSR Minister of Agriculture until November 16 when he was removed. He had occupied that position since 1976.

Along with the formation of GOSAGROPROM, the Soviets reorganized the USSR Ministry of Procurement into the Ministry of Grain Products.

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The USSR has announced production plans for 1990, the last year of the twelfth five-year plan which begins in 1986. Production targets to be achieved by 1990 are shown below, in million tons:

Commodity	Plan
Grain	250-255
Potatoes	90-92
Sugarbeets	92-95
Sunflowerseed	7.4-7.5
Vegetables	40-42
Fruits, berries and grapes	25-27
Cotton (raw)	9.1-9.4
Cotton (lint)	2.8-3.0
Meat	21
Milk	106-110
Eggs (billions)	80-82

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The targets are largely in line with those of the Food Program that was announced in May 1982. The main difference between the new targets and those of the Food Program is the lowering of the plan for sugar beet production. It was to average 102-103 million tons annually during 1986-90, according to the Food Program. The targets for vegetables, fruit, meat, milk and eggs were all increased marginally.

The value of gross agricultural output is planned to increase by 14-16 percent by 1990.

#### GRAIN AND FEED

In ARGENTINA, heavy November rains have caused severe flooding in much of Buenos Aires province, according to the U.S. agricultural counselor in Buenos Aires. Much of the area is low-lying, prone to flooding and therefore not cropped intensively. In some areas, planting of summer crops (corn, sunflowerseed, soybeans, and sorghum) was delayed and in other areas some reseeding is necessary. Some wheat fields have been flooded and the excess rains could cause lower yields and reduce quality. Farmers with cattle in the flooded area have had to move them to higher grounds.

#### OILSEEDS AND PRODUCTS

GREECE's Minister of National Economy is in Brussels discussing a prolongation of the transitional period into the European Community (EC). Greece is supposed to become a full member of the EC in January 1986 and be in compliance with the EC oilseed regime as of that date. In the original transition agreement, Greece agreed to allow domestic sales of soybean oil and relax protection of its olive oil industry. This would require the Greeks to liberalize their domestic oilseed policies, which now protect the production and consumption of olive oil over other vegetable oils.

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Because of ample supplies of domestic vegetable oils, INDIA has reduced the allocation of imported vegetable oils in vanaspati (a hydrogenated, hardened vegetable fat used for cooking) from 60 to 50 percent of total requirements. The allocation for imported oils in vanaspati was as high as 95 percent at the end of 1984. The current ratio of imported to domestically produced vegetable oil will be readjusted as domestic supplies are consumed. India is the second largest importer of U.S. soybean oil, with imports in 1984/85 of 62,805 metric tons with a total export value of \$47 million.

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SPAIN, which in late October increased the subsidy of olive oil exports from US\$100 to US\$125 per ton, has again raised it to US\$143. Reportedly, both increases resulted from EC demands that Spain dispose of at least 100,000 tons of olive oil stocks prior to Jan. 1, 1986.

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## DAIRY, LIVESTOCK AND POULTRY

ALGERIA is having an egg shortage, according to the U.S. agricultural trade officer in Algiers. In recent years, Algeria has been the largest egg importer in the world, taking up to a billion table eggs per year; however, the country has plans to be self-sufficient. During the spring and summer months, sharply higher production failed to find ready markets due to the normal downturn in demand during the hot season. In response, the government halted egg imports. As a consequence, the normal upswing in demand at the end of summer resulted in the current shortages. Algeria is expected to resume imports, but these are still expected to be roughly half of normal.

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January-October 1985 meat production on state and collective farms in the SOVIET UNION was 3 percent above the same period of 1984, according to the U.S. agricultural attache in Moscow. Output of milk and eggs was reported to be up 1.4 and 2.6 percent, respectively, during the same period. For individual meats, beef was up 3.5 percent, pork up 1.3 percent and poultry meat up 6.8 percent.

Larger feed supplies, particularly of forage, do not appear to have had a major impact on livestock numbers held by state and collective farms. November 1 cattle numbers were reported at 94.6 million head, 0.5 million below the year-earlier level. Cow numbers at 29.3 million head were down 0.1 million. Hog numbers, reported at 59.8 million, were 0.5 million head below November 1984. For hogs, the November report represents some improvement from the October 1 report, when the hog population was 2.0 million head below 1984. As of November 1, poultry numbers were up 2 percent.

## TOBACCO

TURKEY's Treasury and Foreign Trade Undersecretariat recently announced minimum export prices for all tobacco grades for the 1985/86 marketing year. Except for Samsun BG and scrap, prices are the same as last year's. Scrap prices were lowered US\$0.05 per kilogram, while Samsun BG prices were raised US\$0.05 per kilogram. Along with the minimum export prices, export tax rates were announced. These taxes for tobacco were lowered substantially.

Private exporters are pleased with the government's decision to lower export tax rates while keeping export prices at last year's levels. As a result, the real price will be lower and exports will most likely increase. Turkey is the largest source of imported tobacco in the United States. Tobacco from Turkey, a type of oriental tobacco that is not grown in the United States, is used in blending with types grown here in the manufacture of cigarettes.

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ARGENTINA's 1985 tobacco crop is estimated to be over 60,000 tons, farm sales weight, a 22-percent decline from last year, according to the U.S. agricultural counselor in Buenos Aires. Despite this drop, exports are being revised up to around 25,000 tons, about the same as last year. Through August 1985, exports totaled over 20,000 tons, at a value of US\$38.7 million. Consumption is remaining constant despite increased cigarette sales. With the lower production, higher than anticipated exports and constant consumption, stocks are expected to drop 15 percent from last year's levels. Argentina competes with the United States for flue-cured tobacco markets, with exports about one-tenth the U.S. level. The effect of the higher exports will be a very small, if any, impact on U.S. trade, but will improve the Argentine balance of trade.

#### FRUITS

Citrus production in SELECTED COUNTRIES of the Northern Hemisphere, for the 1985/86 season, is forecast at 29.9 million tons, up 11 percent from last year's 26.9-million-ton harvest. Production estimates by fruit type, with 1984/85 estimates in parentheses, are as follows in million tons: sweet oranges 17.8 (15.6); tangerines 5.6 (4.8); lemons 2.5 (2.5); grapefruit 2.8 (2.8); and other citrus--including sour oranges, limes and miscellaneous citrus varieties--1.2 (1.2).

In the United States, the 1985/86 citrus crop is forecast 10 percent higher than last year's freeze-damaged crop. Major freezes have occurred in four out of the last five years in Florida, the major producing state. U.S. orange production (including temples) is forecast at 7.3 million tons, up 17 percent from last year. The Florida orange crop is expected to be up 27 percent and the California crop down 6 percent. The U.S. grapefruit crop is forecast at 2.0 million tons, virtually unchanged from last year, and the lemon crop at 748,000 tons, down 16 percent. A 263,000-ton tangerine crop (including tangelos) is forecast for 1985/86, down 4 percent from 1984/85.

Mexico's 1985/86 citrus crop is forecast 32 percent above last year's harvest. Favorable weather during most of the growing season is expected to boost citrus production in the states of Veracruz, Tamaulipas and San Luis Potosi, while residual effects of the damaging freeze of December 1983 continue to limit production in Nuevo Leon. Production of oranges is forecast at 1.5 million tons, 58 percent above the previous season. In Cuba, 1985/86 citrus production is forecast unchanged from last year's drought-reduced crop. The drought, which limited 1984/85 output, also restricted production of the 1985/86 crop, although recent rainfall amounts have returned to near-normal levels. In addition, on November 19, a late-season hurricane, Kate, buffeted north central and eastern Cuba with high winds and heavy rains and caused additional damage to citrus fruit and trees.

Japan's 1985/86 citrus harvest is expected to increase 23 percent from last year. Total tangerine production is forecast at 2.9 million tons, up 25 percent. Satsuma (mandarin orange) output is forecast at 2.5 million tons, up 26 percent from last year's weather-reduced harvest. Growing conditions for the 1985/86 satsuma crop have been generally favorable and higher yields are expected. Total orange production is forecast at a record 66,000 tons, 12 percent higher than last season and continuing an upward trend.



In Italy, 1985/86 citrus production is forecast 9 percent higher than last year, but 11 percent below the record 1983/84 harvest. Orange production is expected to total 2.0 million tons, up 7 percent, and lemon production at 765,000 tons, up 8 percent. This year's citrus crop is somewhat behind normal and the fruit is generally small in size. In Greece, citrus production is forecast down 11 percent from last year. Dry conditions this past summer are expected to reduce orange production to 650,000 tons, 16 percent below the record 1984/85 crop. Lemon output, however, is expected to total 166,000 tons, up 7 percent from last season, but 12 percent below 1983/84.

In Spain, the 1985/86 citrus crop is forecast to be 27 percent higher than the freeze-reduced 1984/85 harvest. Orange production is forecast at 1.9 million tons, up 39 percent, and lemon production at 450,000 tons, also up 39 percent. In Turkey, the 1985/86 citrus crop is forecast 9 percent lower than 1984/85 output. Orange production is forecast at 700,000 tons, down 8 percent, and lemon production at 200,000 tons, down 17 percent. The reduction in this year's citrus crop is primarily due to an especially cold winter, which damaged some citrus groves, and a dry summer.

Egypt's 1985/86 citrus crop is forecast up 4 percent from last season. The orange crop is forecast at 1.2 million tons, up 2 percent. Morocco's 1985/86 citrus crop is expected to be at a record level, 14 percent above last year's drought-reduced harvest. A larger harvest is expected as irrigation water supplies have improved. The orange crop is forecast at 758,000 tons, up 11 percent, and the tangerine crop at 306,000 tons, up 25 percent.

In Israel, 1985/86 citrus production is forecast down 3 percent from last year and the smallest crop since 1980/81. Despite a continued decline in citrus area, yields are expected to be up from last year. Orange production is forecast at 850,000 tons, down 3 percent, and grapefruit production at 360,000 tons, down 6 percent. In Cyprus, the 1985/86 citrus crop is forecast up 6 percent. The orange crop is forecast at 158,000 tons, up 8 percent, and the grapefruit crop at 93,000 tons, up 5 percent.

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Total citrus production in selected countries of the Northern Hemisphere is as follows in 1,000 tons:

Country	1983/84 1/	Revised 1984/85 1/	Forecast 1985/86 1/
United States	9,795	9,501	10,405
Mexico	2,093	1,673	2,208
Cuba	600	605	605
Japan	3,624	2,672	3,289
Italy	3,677	2,984	3,265
Greece	945	990	877
Spain	3,890	2,668	3,377
Turkey	1,229	1,255	1,143
Egypt	1,556	1,406	1,458
Morocco	1,017	960	1,095
Israel	1,529	1,424	1,382
Others 2/	795	756	778
<b>Total Selected Northern Hemisphere</b>	<b>30,750</b>	<b>26,889</b>	<b>29,870</b>

1/ Crop year--October-September. 2/ Includes Cyprus, Lebanon and the Gaza Strip.

#### WOOD AND WOOD PRODUCTS

The value of U.S. solid wood exports through the first three quarters of 1985 totaled \$2.0 billion, down 2 percent from the same period last year. Increased exports to Pacific Rim countries and Mexico combined to nearly offset the decline in shipments to the European Community and Canada. Following are U.S. exports of solid wood products to selected destinations during the first nine months of 1984 and 1985, in millions of dollar:

Destination	January-September		Percent Change
	1984	1985	
Japan	784.9	794.3	+ 1.2
China	193.3	267.3	+38.3
Canada	290.0	259.9	-10.4
European Community	323.0	240.5	-25.6
South Korea	79.8	89.9	+12.7
Mexico	39.1	54.0	+35.1
Taiwan	51.2	51.8	+ 1.2

Source: U.S. Department of Commerce.

Of particular note is that China surpassed Canada during the third quarter of 1985 to become the second largest market for U.S. solid wood products. The increase in the value of exports to Japan during the first nine months of 1985 compared to same period in 1984 resulted from a strong third quarter showing. In the first half of 1985, the value of shipments to Japan was lagging nearly 2 percent behind the previous year's total for the comparable period.



Selected International Prices

Item	:	Nov. 26, 1985	:	Change from	:	A year
	:		:	previous week	:	ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.9/		187.50	5.10	--		190.00
U.S. No. 2 DNS/NS: 14%....		176.00	4.79	-2.00		175.00
U.S. No. 2 S.R.W. ....		149.00	4.05	-4.50		165.50
U.S. No. 3 H.A.D.....		169.00	4.60	-1.00		195.00
Canadian No. 1 A: Durum...	N.Q.		--	--		206.50
Feed grains:						
U.S. No. 3 Yellow Corn....		119.00	3.02	-.50		129.75
Soybeans and meal:						
U.S. No. 2 Yellow.....		202.00	5.50	-2.50		243.00
Brazil 47/48% SoyaPellets		189.50	--	+7.50		185.00
U.S. 44% Soybean Meal....		173.50	--	+6.50		167.00
U.S. FARM PRICES 3/						
Wheat.....		114.26	3.11	-2.20		125.65
Barley.....		68.90	1.50	+3.67		79.46
Corn.....		92.91	2.36	-.39		101.18
Sorghum.....		75.18	3.41 2/	-.22		89.51
Broilers.....		1136.25	--	-62.61		1142.86
EC IMPORT LEVIES						
Wheat 5/.....		116.05	3.16	-2.20		42.75
Barley.....		108.35	2.36	+3.65		52.50
Corn.....		87.80	2.23	+1.60		50.80
Sorghum.....		100.65	2.56	+3.70		59.60
Broilers 4/ 6/ 8/.....		238.00	--	+4.00		163.00
EC INTERVENTION PRICES 7/						
Common wheat(feed quality)		163.10	4.44	+3.35		142.60
Bread wheat (min. quality)		173.90	4.73	+3.60		152.05
Barley and all						
other feed grains.....		163.10	--	+3.35		142.60
Broilers 4/ 6/.....		1234.00	--	0		1097.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat .....		56.35	1.53	-4.10		N.A.
Barley.....		70.45	1.53	+.25		27.50
Broilers 4/ 6/ 8/.....		155.00	--	+3.00		96.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Spot. N.A.=None authorized. N.Q.=Not quoted. Note: Basis December delivery.

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